

Council for Labor & Economic Growth
Quarterly Meeting
Lansing Community College West Campus, MTEC - Conference Center
Monday, February 13, 2006
10:00 a.m. – 2:00 p.m.

MEMBERS PRESENT:

Derick Adams	Eleanor Josaitis	Trenda Rusher
E. Sharon Banks	Mitzi King	Michael Schmidt
Lloyd Bingham, Ph. D.	Frank Lopez	Jaye Shamsiddeen
Antoon Brusselmans	Alan Low	Kester So
Patrick Cannon	Shelly Norman-Hill	Mitch Tomlinson
Enrique Carrillo	William Orabone	Marianne Udow
Matthew Chambers	Sharon Peters	John Voorhorst
Richard Dandurand	Sharon Parks	Sharon Wenzl
Bradley Dyer	William Peterson	George Yost
David Eisler	Gene Pierce	J. Michael Zelle
Michael Flanagan	Sharon Rivera	Lynn Zuellig
John Hernandez		

MEMBERS ABSENT:

Wilma Abney	Dennis Hands	Phillip Power
Kenneth Baker	Doyle Hayes	Hubert Price, Jr.*
David Binkley	George Heartwell	Hari Radheshwar
Ted Blashak	Thomas Hickner	Alan Sanborn
Harry Bonner, Sr.	Win Irwin	Patricia Shimmens
Richard Blouse, Jr.	Robert Jacquart	Buzz Thomas
Michael Bryanton	Janet Joseph	Mary Thornton
Matt Brynildson	Jack Litzenberg	John Van Wyck
Christopher Fitch	Juan Mestas	Benjie Williams
Norma Hagenow	Janet Olszewski	
Michael Haller	Sherri Peterson	

*Excused due to technical difficulties

I. CALL TO ORDER

Ms. Sharon Wenzl, Chair, called the meeting to order at 10:15 a.m. Ms. Wenzl acknowledged the Council Vice-Chair, Mr. Mitch Tomlinson, and Ms. Lynn Bajorek, Michigan's Federal Representative from the U.S. Department of Labor (DOL), Region V Employment and Training Administration. David Hollister left his position as Director of the Department of Labor & Economic Growth on February 3rd to head up a new non-profit organization charged with helping the Mid-Michigan region successfully transition its economy. Governor Granholm has named Paula Cunningham, former Lansing Community College President, as the new Director of the Department of Labor & Economic Growth. She will assume this post on March 6th. During this transition the department is in the capable hands of Deputy Director Bob Swanson who will be serving as acting Director until Paula's arrival. Ms. Wenzl invited Mr. Swanson to say a few words.

Mr. Swanson introduced Ms. Irma Zuckerberg who is Acting Deputy Director and has worked with many of the Council members. Mr. Swanson stated that the federal government awarded Michigan two \$15 million grants under the highly competitive Workforce Innovation for Regional Economic Development (WIRED) Program. Michigan is the only state in the nation to receive two of the grants awarded under the U.S. Department of Labor Initiative. These grants were awarded to the central and western regions of the state over a three-year period, and will target areas that have potential loss of jobs through the impact of the restructuring through General Motors, Ford and Delphi. The WIRED grants will be used to expand employment and workforce development opportunities in the awarded regions by re-focusing auto-supplier firms to look at other emerging technologies in our state's economy as it diversifies. The grants build upon the Council's efforts and the Compact, and are great news for Michigan as we try and transform our economy. Within the department we are looking forward to Paula Cunningham becoming our department director on March 6th.

II. ACTION ITEMS

Mr. Tomlinson requested that members state their name after making a motion to enable the Council's staff to properly document action items. In addition, the Conflict of Interest provisions within our By - Laws requires that members abstain from voting on issues which provide a financial benefit to them or pertain to organizations, agencies, or entities with which they are affiliated. The option to abstain will not be asked before each vote. However, when appropriate, CLEG members are asked to indicate abstention and it will be properly noted.

II. i. APPROVAL OF THE MINUTES

The first action item is the approval of the meeting minutes from the November 7, 2005 quarterly meeting. Ms. Sharon Parks, CLEG member, noted that on page six under *Creating a Low-Wage Worker Strategy* the second sentence that states, "*increase* turnover and provide opportunities for advancement" should state, "*decrease* turnover and provide opportunities for advancement."

A MOTION was made by Ms. Parks, and SUPPORTED by Mr. Matt Chambers, CLEG member to approve the minutes from the November 7, 2005 meeting with the noted revisions.

II. ii. APPROVAL OF THE CLEG STRATEGIC PLAN

Mr. Tomlinson explained the major work of the Council over the last several months is the development of a Strategic Plan: *Creating a Culture of Innovation for Jobs Today and Tomorrow*.

The overarching goal of the strategic plan is to help jump-start the State's economy now while providing the framework to diversify and grow Michigan's economy in the future. The Strategic Plan includes recommendations of the six CLEG standing committees, both short and long term objectives, and an Outcomes and Results Matrix.

A MOTION was made by Mr. Bill Peterson, CLEG member, and SUPPORTED by Ms. Sharon Peters, CLEG member, to approve the Council's Strategic Plan.

Additional discussion on the MOTION: Ms. Tenda Rusher, CLEG member, questioned the lack of a specific role for Workforce Development Boards (WDBs) under the "Jobs Tomorrow Objectives: To Execute a Compact for Michigan's Communities." Mr. Chambers stated the Strategic Plan is the

overarching framework of the Council's work and the more specific role of WDBs is articulated in the strategy of the Compact.

No other additional discussion on the MOTION is noted.

II. iii. MODIFICATION OF THE STATE'S WORKFORCE INVESTMENT PLAN

Mr. Tomlinson introduced Matt Chambers, Chair of the Accelerating Re-Employment/Workforce System Committee, and Ms. Janet Howard, Deputy Director of the Bureau of Workforce Programs (BWP), DLEG, as presenters of the Modification of the State's Workforce Investment Plan.

Mr. Chambers stated a modification to the State's Workforce Investment Plan is required to reflect two waivers and work-flex authority that has recently been granted to the state by DOL and to identify a new Workforce Investment Act (WIA) and Wagner-Peyser designee. Mr. Chambers provided a summary of the waiver requests and work-flex authority and how these would benefit the State. Mr. Chambers also added that Ms. Irma Zuckerberg, Acting Deputy Director, DLEG, has been identified as the new WIA and Wagner-Peyser designee.

The waivers allow for the following:

- Washtenaw County Workforce Development and Community Action Boards and Southeast Michigan Community Alliance Workforce Development Board, to utilize a portion of their WIA adult, dislocated worker, and youth funds as "local activity funds" to support incumbent worker training at the Global Engine Manufacturing Alliance (GEMA); and
- Central Area Michigan Works! Consortium (CAMWC) increased flexibility to design and deliver workforce services to respond effectively to the mass dislocation in their service delivery area due to the closure of Electrolux Home Products.

The Work-flex status allows the State to approve future local level waiver requests, consistent with the WIA Act and Regulations.

A MOTION was made by Mr. Brad Dyer, CLEG member, and SUPPORTED by Mr. George Yost, CLEG member, to approve the modifications to the State's Workforce Investment Plan.

A question was asked regarding how other areas of the state could benefit from these waivers. Ms. Janet Howard stated that while the waivers requested were specific to local areas and the situations occurring there, the work-flex authority gives the State the option to pass flexibility to local areas that is consistent under WIA.

No other additional discussion on the MOTION is noted.

IV. i. CLEG LETTER OF SUPPORT FOR PROPOSED HIGH SCHOOL GRADUATION REQUIREMENTS

Mr. Chambers stated the Accelerating Re-Employment Committee is seeking approval for a letter supporting the proposed high school graduation requirements. The letter is addressed to the House and Senate Education Committee Chairs and states that CLEG supports Superintendent Flanagan in the adoption of the Michigan Merit Curriculum.

A MOTION was made by Mr. Pat Cannon, CLEG member and SUPPORTED by Ms. Eleanor Josaitis, CLEG member, to approve the letter supporting the proposed high school graduation requirements.

Additional discussion on the MOTION: Mr. Gene Pierce, CLEG member, expressed concern over the letter of support. He stated that while he agrees with the English, math, and science requirements, there would be a negative impact from the requirement of two years of a foreign language on Career and Technical Education (CTE) students. Research supports that students who take foreign languages in grade school are positively impacted, but not in high school. The system needs to be good for all kids.

Much open dialogue ensued regarding the requirement of foreign language credits. Additional comments included:

- Caution should be raised amongst the legislature that CTE students are not let down by the foreign language requirement.
- Superintendent Flanagan has heightened awareness, raised the bar, and is looking towards the future.
- It is an expectation across the country that students have four years of language arts, social studies, and sciences and we should not minimize these expectations in our state.
- In the global market of education, children in other countries are required to take a foreign language during the course of their education.
- It is important that CLEG takes a stand; this is a fundamental message about what we expect from our future workforce.
- When these requirements were first presented, there was much discussion on how CTE students would be affected; however, Michigan is already behind many other states in their curriculum requirements.
- There will be unintended victims from the foreign language requirement.

The question was then CALLED. A few more comments were allowed:

- To be competitive on a global basis, it is imperative that we speak at least two languages.
- Research shows foreign language is best taught in grade school and that is where the instruction should be provided.

The question was again CALLED. All were in favor of calling the question. It is noted that all but one CLEG member voted in favor of the MOTION.

III. A CULTURE OF INNOVATION: FOCUSING ON THE FUTURE

Ms. Wenzl introduced Dr. Sheila Ronis, president of Michigan management consulting firm The University Group Inc., adjunct professor at the University of Detroit Mercy, Pentagon consultant, and national security strategist to give a presentation on Michigan's economic future. Dr. Ronis shared ideas surrounding the future of the nation and the state of Michigan. Two scenarios were explored; one called the momentum strategy that follows current trends and another where specific initiatives shape the future. Dr. Ronis also shared two additional studies she conducted; one is a scenario of the future of transportation called *Crisis in Asimov* that uses a Department of Defense visioning process, and the other is a study on the national security implications on the erosion of the United States industrial base and its relevance to the state of Michigan.

Highlights of Dr. Ronis' presentation include:

- The economic well being of the State of Michigan and the nation as a whole is not only tied to various industries and their health, but also tied to the capabilities of its people, progressive public policy at all levels of government, and a culture of cooperation. All must interact together as a system to succeed like a well-oiled machine.
- Other nation's actions and policies influence our industrial base; whether we want them to or not, especially trade policies that prohibit the U.S. from being globally competitive.
- Free trade is a misnomer in a world of globalization. It accomplishes little to assist Michigan and our nation to become globally competitive; there is no level playing field, and that is problematic.
- Companies should partner with governmental institutions at all levels such as cooperating with universities in order to improve their global competitiveness.
- Companies need to work in cooperation with others in their industries in free competitive and cooperative partnerships.
- Michigan companies need to influence Wall Street to invest in the future, even when the payback will be years in the making.
- In today's world filled with terrorist threats, Michigan companies should market the fact that doing business in Michigan is less risky than in other parts of the world.
- Incentives should be provided to young college graduates to stay in Michigan to serve the companies in our state.
- Trade policies that encourage off shoring of jobs need to be reformed.
- Congress should reform those national systems that are keeping U.S. companies from being competitive, including pension and health care systems.

The floor was opened for questions and comments. Mr. Chambers asked Dr. Ronis how she would take into consideration the human factor; the natural inclination of human beings to behave in certain ways and the cultural differences that exist around the world that are in striking contrast to some of the values that we might want to put forth. Dr. Ronis explained that in the world of globalization we are one community and at a minimum we have to understand other cultures we are working with. This is difficult since so few Americans travel abroad and therefore do not know what is going on abroad. Our concept of liberty is not something that all cultures share which makes it hard for us to understand why Islamic people would be so outraged at a cartoon depicting Mohammed.

Mr. Dyer, remarked it seemed that the same group of individuals in Washington who have concerns over military issues are the same individuals who are most in favor of free trade that allows for off shoring of the U.S. industrial capability; why can't they understand that off shoring our industrial capability weakens national security? Dr. Ronis agreed, but stated that most Pentagon policies are not developed by people in uniform, but by civilian leadership. The civilian authority may not share the same values as the people in uniform share.

Ms. Sharon Rivera, CLEG member, commented on a question Dr. Ronis posed during her presentation; does Michigan always buy Michigan first? Ms. Rivera explained that unfortunately the last administration in the state seemed to sell off much of the services as well as the products that were created within Michigan government. Due to civil service regulations a hearing was abolished where the union could come in and make a case that the services should be provided by the state and by state workers. Therefore, due to procedures that were legislated and policies created, Michigan does not

always look to Michigan first which is further erosion of our tax base, as well as fewer jobs available in our state.

Mr. Mike Zelley, CLEG member, asked Dr. Ronis if leveling the playing field in the world of international trade was as simple as enforcing the existing laws. Dr. Ronis stated that would help, and stated the problem is a combination of U.S. policy in regards to trade, the policies of the Committee for Foreign Investment in the United States (CFIUS), and the issue of off sets in regards to U.S. policies.

Mr. Tomlinson asked Dr. Ronis how she would advise CLEG on tackling the issues of Michigan's labor and economic development. Dr. Ronis explained that at a minimum CLEG needs an integrated plan and mechanisms to execute that plan, regardless of who controls the legislature or who is governor. Learning should be a huge piece of that plan as well as basic research and development (R&D).

Mr. Bill Peterson, CLEG member, commented on how tariffs had once protected U.S. jobs but have since been eroded due to trade agreements. He stated a recent trade agreement with Thailand that would eliminate the 25 percent tariff on imported small trucks has been blocked, but if it were to be negotiated it would cost many jobs in our state. Americans need to be concerned with this ongoing issue. Dr. Ronis agreed, and stated that Michigan citizens need to be very articulated and organized when sending delegates to Washington.

Ms. Rivera stated that Tier II companies that want to remain suppliers to the Big Three automakers have a mandate that they must outsource 30 percent of the development of their products and asked why this is so. Dr. Ronis stated that U.S. industry is not included in the foreign policy decisions of any administration. In the U.S. industry sees government as its adversary and this needs to change to be more like other parts of the world where industry and government work hand in hand.

IV. PROPOSED HIGH SCHOOL GRADUATION REQUIREMENTS

Mr. Tomlinson introduced Mr. Mike Flanagan, Michigan's Superintendent of Public Instruction, to talk about the proposed high school graduation requirements recommended from the Cherry Commission Report.

Superintendent Flanagan began his presentation using an analogy of a storm approaching Michigan to depict what is happening in our state's education system.

Superintendent Flanagan's presentation included the following highlights:

- Two important drivers of the changes to the high school graduation requirements are global competition and a recent Detroit News poll that stated only 23% of Michigan parents feel their children need education beyond high school.
- For many years the automotive industry provided many jobs for individuals with little or no education, but now that is not the case and is unsustainable.
- There is an assumption amongst some educators that children in Michigan will not be able to meet the new requirements, and that needs to change.
- Teacher education will be reformed to reflect the new requirements.
- To be competitive when attracting high tech business to the state, firms look at the school system to see what kind of workforce it will produce and the kind of school system its employees will have available for their children.

- Career and Technical Education students will benefit from the new math requirements with the revisions to teacher education.
- While it may seem like the changes are being pushed quickly, the graduation class of 2010 will be the first graduation class affected by the changes.
- The Education Alliance and all the major education groups in the state support the changes.
- Michigan citizens need to re-imagine our state in a way that all children are given the opportunity to reach their highest level.

The floor was opened for questions and comments. Mr. Enrique Carrillo, CLEG member, asked how the on-line requirement would be addressed in regards to the economically disadvantaged children who don't have computers at home or transportation to a library to access computers. Superintendent Flanagan stated that is the reason it was taken out as a credit requirement as well as the fact that the infrastructure could not handle it. The online issue is being addressed; a course is under development that would meet that particular requirement and could be accessed in all areas.

Mr. Chambers stated there is the concern that the foreign language requirement would negatively impact children in CTE. Superintendent Flanagan stated the State Board of Education felt strongly regarding the requirement of foreign language. The testimony that we are a global force but do not require foreign language is absurd. Since ideally it is taught pre-puberty, a compromise would be that it is required sometime during the K-12 years. Funding is being provided to work with the Office of Career and Technical Education within DLEG to be more concrete in how to infuse the math and science into the career pathways. Superintendent Flanagan conveyed his optimism regarding CTE.

Mr. Dyer inquired how the state would attempt to build in different instructional techniques. If we don't build in different ways to teach kids to solve problems, to think, and analyze information not a lot will change. Superintendent Flanagan agreed, and explained that would be addressed under teacher education.

Mr. Bill Orabone, CLEG member, asked how far behind the state of Michigan is compared to other states that have already implemented curriculum requirements. Superintendent Flanagan stated that there are ten states that are ahead of us and we are about two or three years behind them.

A question was asked regarding what would happen if the state did away with grade levels. Superintendent Flanagan answered that we are actually heading towards a mastering model, not a seat time model. Ideally, after four years of high school a young person would have a diploma and one year of credits towards a two or four year degree.

Mr. Chambers asked how the state could qualify adjunct teachers. For example, the statisticians in his organization have much more knowledge due to daily use versus an individual who was trained in a classroom setting. Superintendent Flanagan answered the state could make it easier for individuals to enter the profession without all of the hoops. For example, the state now has many math and science people that are out of work that could be moved into teaching positions with some flexible programs.

V. PUBLIC COMMENTS/CLOSING REMARKS

Mr. Tomlinson offered the opportunity for public comment. Ms. Jacquelyn Morrison, Executive Director for Economic Security at Work, AARP Michigan, stated that she works closely with members regarding re-entering the work place and also with employers to educate them on retaining experienced workers. In 2005, six of the top 50 employers for older workers were from the state of Michigan. Ms.

Morrison provided literature for the Council members on programs AARP offers employers seeking to attract and retain older workers.

Ms. Marcia Black-Watson, Administrator for the Council, announced that while CLEG was meeting today, the “MIOSHA Walkthrough for Manufacturers” CD was unveiled in the auditorium next door. MIOSHA, the Michigan Economic Development Corporation (MEDC), and the Lansing Area Safety Council collaborated with sponsors and Michigan businesses to produce this unique, interactive safety and health-training program CD. This CD was mailed, FREE, today, to 30,000 Michigan manufacturers. CLEG members were invited to receive an advance copy after the meeting.

VI. ADJOURNMENT

There being no further business, Mr. Tomlinson adjourned the meeting at 2:00 p.m.

In accordance with the Americans With Disabilities Act, the information in these minutes will be made in alternative format (large type, audio tape, etc.) upon request.

Approved June 5, 2006